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TO RUEHC/SECSTATE WASHDC IMMEDIATE 8424
INFO RUEHBKJ/AMEMBASSY BEIJING PRIORITY 6466
RUEHLM/AMEMBASSY COLOMBO PRIORITY 6781
RUEHKA/AMEMBASSY DHAKA PRIORITY 2071
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 4817
RUEHLO/AMEMBASSY LONDON PRIORITY 6032
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 2396
RUEHSA/AMEMBASSY PRETORIA PRIORITY 0116
RUEHCI/AMCONSUL KOLKATA PRIORITY 4159
RUEHBI/AMCONSUL MUMBAI PRIORITY 3849
RUEHGV/USMISSION GENEVA PRIORITY 2044
RUCNDT/USMISSION USUN NEW YORK PRIORITY 3194
RUEKJCS/SECDEF WASHDC PRIORITY
RHMFIS/CDR USPACOM HONOLULU HI PRIORITY
RUEAAIA/CIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000492

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TAGS: [PREL](#) [PGOV](#) [KDEM](#) [MARR](#) [UN](#) [NP](#)

SUBJECT: NEPAL: PRIME MINISTER KOIRALA UNSURE OF WAY AHEAD

REF: KATHMANDU 489

Classified By: Deputy Chief of Mission Randy W. Berry. Reasons 1.4 (b/d)

Summary

¶1. (C) In a meeting on May 1 with Prime Minister G.P. Koirala, the Prime Minister said he expected some outcome within a few days to the ongoing discussions regarding a new coalition government. The PM was insistent that action needed to be taken about People's Liberation Army's weapons prior to the formation of a new government, and voiced the worry that the Nepal Army not be compromised. He seemed less concerned about other mooted amendments to the Interim Constitution. Koirala expressed regret that abolition of the monarchy appeared inevitable, but shared the Ambassador's view that an honorable exit for the King would suffice. The PM clearly was not resigned to giving up power.

Outcome of Coalition Talks Possible Soon

¶2. (C) Prime Minister G.P. Koirala told the Ambassador at a meeting on May 1 that he was engaged in talks on a future government with other key leaders and that he hoped there would be a decision in a "couple of days." He did not indicate what that decision would be. The Ambassador stated that the people had clearly voiced their desire for change. The PM countered that the people also wanted conditions put in place before the current Government of Nepal (GON) was replaced. For example, the abuses by the Maoist Young Communist League, had to stop, which the Ambassador seconded.

Maoist Arms Must Be Dealt With, Nepal Army Preserved

¶3. (C) The Prime Minister was insistent as well that the arms of the Maoist People's Liberation Army (PLA) needed to be handed over the GON or destroyed before the other parties could agree to a new Maoist-led government. The Ambassador countered that the presence of the United Nations Mission in Nepal (UNMIN) might make the need for this action less urgent

than other pressing issues. He was also adamant that the Nepal Army (NA) should not be politicized. Any integration would have to ensure that the Army's essential character was preserved. Koirala said that he had challenged UNMIN chief Ian Martin whether the UN would continue to accept NA troops for peacekeeping operations after Maoist combatants were integrated. The PM's Foreign Policy Adviser Aditya Baral conceded, however, that the NA would need to be downsized. The Ambassador strongly agreed that the NA needed to be protected as an institution, but she made the point that dealing with the NA and the PLA were long-term issues. The Prime Minister noted that his party and others were generally of the view that the provision in the Interim Constitution requiring a two-thirds majority to remove the government needed to be changed into a requirement for a simple majority, but he did not stress this idea.

Regret Over Abolition of Monarchy

¶4. (C) PM Koirala expressed his regret that he had not been able to preserve the monarchy. He said that he had hoped to do so, but that he could not resist the political tide. His daughter, Minister without Portfolio Sujata Koirala, piped up several times about the need to preserve "space" for the King. When asked, the PM replied that he had not been in touch with the King, but said he had spoken with the King's representatives. Koirala and the Ambassador agreed on the need for the King to have an honorable exit. The PM conceded that the Maoists had been accommodating on that score so far in public but he wanted to see what they would say and do in the Constituent Assembly.

KATHMANDU 00000492 002 OF 002

Comment

¶5. (C) While the Prime Minister talked in the May 1 meeting about the need to create a new government, his remarks had a strong undercurrent -- and included occasional comments about not allowing something to happen -- which indicated that he is of two minds about stepping down as PM. He deflected the Ambassador's question about the possibility of a presidency being created (in place of the monarchy), but some Embassy contacts believe he is interested in the position. Koirala spoke disparagingly about the Maoists as terrorists and seemed uncertain about how to deal with them. His remarks were rambling and disjointed, and he added new conspiracy theories, including the risk of Nepal becoming another Sikkim (as noted reftel), to the old standards. Three weeks after Nepal's Constituent Assembly election, the PM does not appear at all sure about the best way forward.

POWELL